

Iowa Medicaid Enterprise “Endeavors Update”



A Communications Effort to Strengthen Partnerships

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Special points of interest:

- IowaCare Expansion
- Medical Home Explained
- Health Insurance Exchange Grant
- Medicaid Projections
- Transportation Brokerage
- Health Information Technology Plan
- New MMIS System Anticipated

Inside this issue:

IowaCare Expansion and What is a Medical Home?	2
Map of IowaCare Medical Homes and Letter on Emergency Services	3
Health Insurance Exchange Planning Grant	4
Medicaid Projections	5
Program Integrity Spotlight: Transportation Brokerage	6
Health Information Technology Plan Submitted to CMS	7
New Medicaid Management Information System Anticipated	7

Iowa Medicaid Director's Column: Welcome

Welcome to the first edition of the “Iowa Medicaid Enterprise Endeavors Update”, a communications effort to strengthen partnerships. The goal of this newsletter is to update partners and stakeholders on activities within the Iowa Medicaid Enterprise (IME) and reinforce our joint efforts to improve the health of Iowans. Through this newsletter platform we will strive

to increase transparency, positively promote understanding and facilitate work towards common goals. A desired outcome of this effort is to enhance public and private partnerships. If you don't already know us this update will help you to learn more. If you do know us this update will keep you posted on the many activities and efforts that we have underway. We plan to pro-

duce this newsletter on a monthly basis. We will incorporate additional forms of communications, such as social media, as warranted. I look forward to increasing the dialogue and sharing information about the delivery of health care to vulnerable Iowans.

Iowa Medicaid Director
Jennifer Vermeer

IowaCare Expansion Means Better Access to Health Care

On October 1st the IowaCare expansion will be launched in Sioux City and Waterloo thanks to a partnership with the local Federally Qualified Health Care Centers (FQHCs). Siouxland Community Health Center and Peoples Community Health

Clinic will join Broadlawns Medical Center in Des Moines and the University of Iowa Hospitals and Clinics (UIHC) to become “Medical Homes” for the over 38,000 uninsured Iowans who receive limited health care benefits under the IowaCare pro-

gram. These are adults, ages 19-64 who do not otherwise qualify for Medicaid but have incomes below 200% federal poverty level.

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IowaCare Expansion Means Better Access (Continued)

IowaCare was established under a Medicaid waiver in 2005 and was recently extended for another 3 1/2 year period to 2013. IowaCare members with incomes over 150% Federal Poverty Levels pay a premium on a sliding scale. Those with incomes less than 150% FPL will receive care at no cost. State and federal funds combine to fund the program at \$115 million in State Fiscal Year 2010. The program has been successful and is a key strategy for covering unin-

sured adults, even with the program limitations. Until now access to these services had been strictly limited to Broadlawns Medical Center for Polk County residents and the UIHC for all other Iowans. Obviously this presented a logistical challenge to Iowans living outside of Polk and Johnson Counties. Policy makers worked on plans to expand access to services for the better part of last year and the Iowa Legislature ultimately passed legislation directing Iowa Medicaid to incremen-

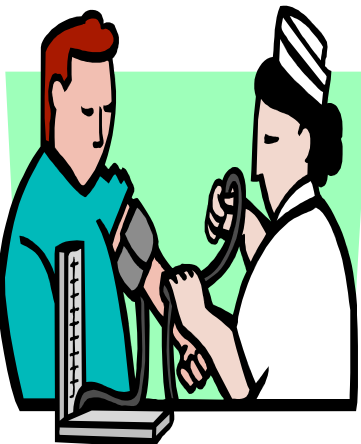
tally expand the provider network to include the FQHCs. This effort is now happening as IowaCare members are being sent information about their new "Medical Home". Participants in the remaining counties will continue to go to the UIHCs for services until the provider network is expanded to additional counties later this state fiscal year. The 2010 expansion also provides some relief (limited to \$2 million) for reimbursement for some emergency room services at non-network providers.

"We, in conjunction with the new Medical Home partners, are diligently making the transition and learning from the effort so that we may be even better prepared in the future for expanded IowaCare access across the state."

*Iowa Medicaid Director
Jennifer Vermeer*

Purpose of a Medical Home (Iowa Code Chapter 135.158)

- Reduce disparities in health care access, delivery, and health care outcomes.
- Improve quality of health care and lower health care costs, thereby creating savings to allow more Iowans to have health care coverage and to provide for the sustainability of the health care system.
- Provide a tangible method to document if each Iowan has access to health care.



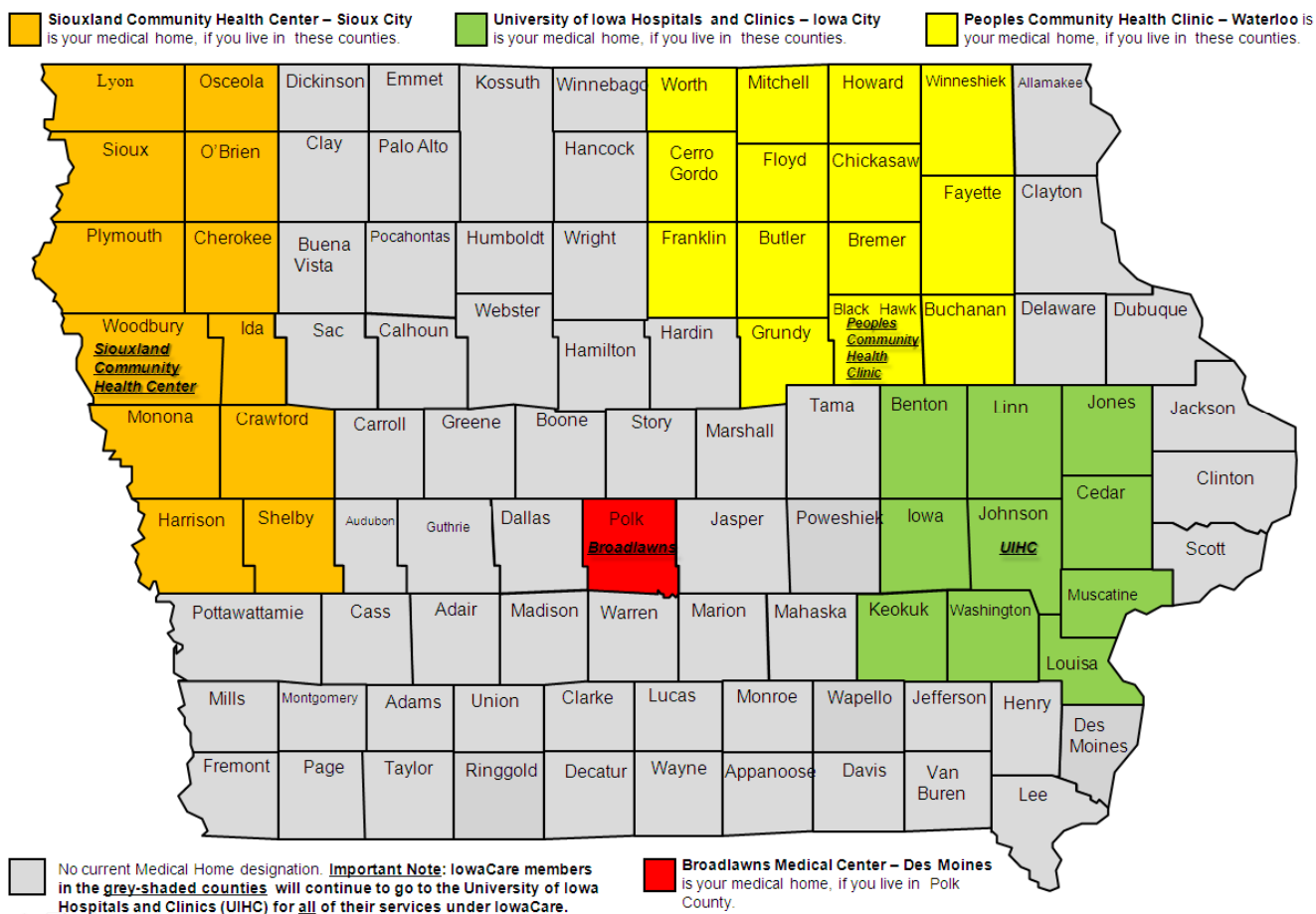
What is a Medical Home? Patient-Centered Primary Care

A Medical Home is the center of a person's care. It will involve a team approach to providing health care from a primary care setting. Medical Homes are meant to foster a partnership among the patient, the personal provider, and other health care professionals, and where

appropriate, the patient's family. Partnerships will be established to provide access to all medical and non-medical health-related services needed by the patient in order to achieve maximum health potential. Medical Homes will maintain a centralized, comprehensive

record of all health-related services to promote continuity of care. Patients will benefit from this coordinated method of health care delivery with increased convenience and the benefits of an ongoing relationship with their primary health care provider.

IowaCare Medical Home Designations – For IowaCare Members Effective October 1, 2010



IowaCare Emergency Room Services Explained in Letter

The Iowa General Assembly appropriated \$2 million in FY 2011 in an effort to reimburse non-participating hospitals (any hospital other than Broadlawns Medical Centers or the University of Iowa Hospitals and Clinics) for the uncompensated care provided to IowaCare members for emergency room services. An upcoming "Informational Letter" (IL No. 947) to all Iowa Medicaid

Hospitals explains service reimbursement limitations. The letter also explains IowaCare enrollment, treatment criteria and claims information. The letter raises a cautionary note that the funding, while a good step and a meaningful contribution, applies to all claims submitted from the entire pool of all potential participating hospitals. Because of the limited funding,

it is anticipated that the amount appropriated may not last through the entire state fiscal year. The letter thanks hospitals for their partnership and provides a toll-free phone number, 1-800-338-7909, for questions.

You can view the letter at:

<http://www.ime.state.ia.us/Providers/Bulletins/Bulletins2010.html>

What are Informational Letters?

IME publishes informational letters to clarify existing programs and policies or explain new policies. Letters are mailed to providers and posted on the IME Website on the "Providers" page.

"I fully endorse this application and believe it is another positive step towards Iowa continuing to be one of the healthiest states in the nation."

Iowa Governor
Chet Culver

Health Benefit Exchange Planning Grant Submitted

Iowa is in the running for a \$1 million federal planning grant to design a Health Benefit Exchange as required by the Affordable Care Act. On August 31st the Iowa Department of Public Health, Iowa Department of Human Services, Iowa Department of Revenue and the Iowa Insurance Division submitted a joint grant appli-

cation to the U.S. Department of Health and Human Services (HHS) for state planning related to the health benefit exchange. State agencies will use the grant, if awarded, for an analysis of the financial and information technical infrastructures needed to implement an exchange. For example, the planning

grant would enable a review of the ability of the new exchange to integrate with current government programs such as Medicaid and CHIP (Children's Health Insurance Program).

"This grant will provide the necessary staff resources to begin the process for Iowa to position itself for implementation of the Exchange."

Iowa Medicaid Director
Jennifer Vermeer

According to the Grant Application:

"Iowa is interested in exploring the possibility of creating an Iowa based Iowa Health Benefits Exchange and Small Group Exchange Initiative. Together they will offer a platform that allows individuals and small businesses access to coverage that is portable, choice-based, and financially advantageous. The broad goals of this type of exchange are to drive health care system change and premium affordability, provide greater information to consumers (cost and quality), allow for the efficient distribution of premium subsidies, and improve the quality of health care delivery."

Grant awards will be announced on September 30th.

Stay tuned for future announcements.

DHS 2012 Budget Offering Now Online:

<http://www.dhs.state.ia.us/Partners/Reports/BudgetReports/Budgets.html>



You can review the Department of Human Services FY 2012 Budget Offering at the Iowa Department of Human Services website. The budget includes details about Medicaid, IowaCare, HIPPA, and Healthy and Well Kids Iowa (*hawk-i*). DHS Di-

rector Charlie Krogmeier acknowledged challenges due to the eventual loss of federal American Recovery and Reinvestment (ARRA) funds and the loss of employees because of early retirements. But he maintained "we remain committed to the

work of the Department and the critical role it plays in making a difference in the lives of Iowans."

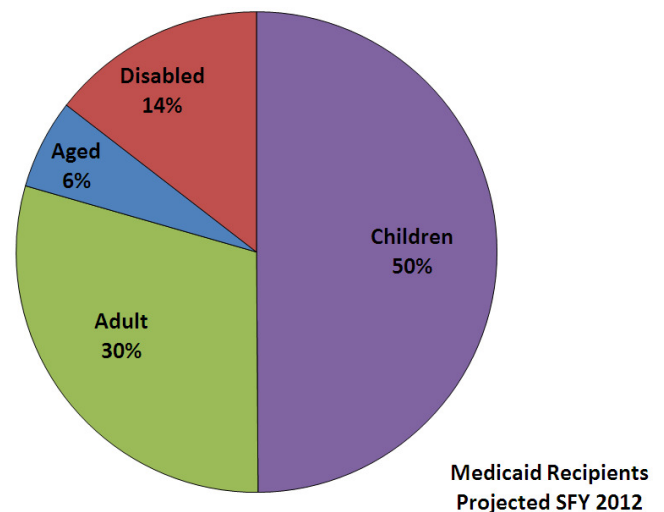
Watch for more budget stories in future newsletters.

Medicaid: Who Receives Medicaid?

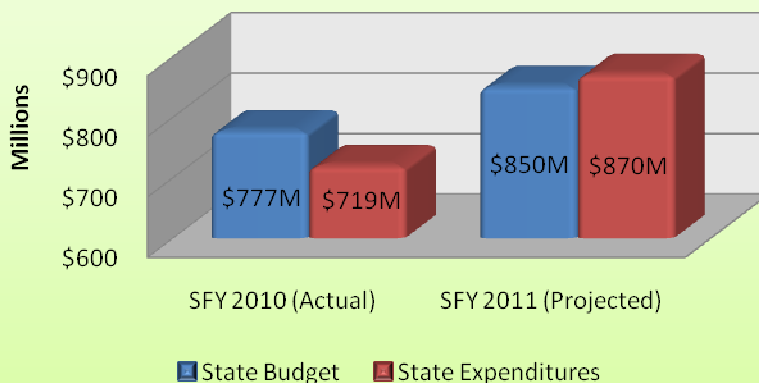
The Medicaid population consists of low income people in four general categories and is projected to serve the following in SFY 2012:

- 327,795 Children
- 194,019 Low-income parents & adults
- 95,466 Persons with Disabilities
- 39,572 Elderly persons

Enrollment increased by 9.4% in FY 2010. It is projected that 50% of Medicaid recipients will be children, but keep in mind that they will only account for 18% of the expenditures. The cost of medical care for different Medicaid populations varies significantly. The average cost for each child is much lower than the average cost for each disabled or elderly person because the second group utilizes more long-term care.



State Medicaid Spending FY 2010 and FY 2011



"The biggest factor driving General Fund needs in FY 12 is replacement of \$450 million in one-time funding sources."

*Iowa Medicaid Director
Jennifer Vermeer*

Medicaid Projections: FY 10 Surplus and FY 11 Gap

The Medicaid appropriation ended SFY 2010 with a \$57.5 million surplus, which will be used to offset spending in SFY 2011. This ending balance is largely due to increased Federal revenue received through the American Recovery and Reinvestment Act of 2009 (ARRA). The story for SFY 11 is different.

The Medicaid appropriation is facing an anticipated shortfall of \$20 million in SFY 2011. The deficit is primarily due to declining Federal ARRA revenue. Although ARRA will still be in place, funds available will be less than what was assumed at the time the Medicaid budget was passed last spring. A supplemental

appropriation will be needed to cover this gap or further cuts to the Medicaid program will be necessary. The shortfall would be even greater if not for the \$57.5 million made available from the SFY 2010 ending balance.

October 1st Kick-off of Medicaid Transportation Brokerage Services

The IME is pleased to kick-off brokerage transportation services for Medicaid members for their non-emergency medical transportation appointments. “TMS Management Group, Inc” won the three-year contract to arrange the services in May. Currently, members make their own transportation arrangements and request reimbursement for the cost of providing their own rides to doctors and pharmacies. Under the new system, the broker is responsible for arranging and authorizing the non-emergency medical trips, verifying the member’s eligibility, assuring the medical treatment is a covered Medicaid service, assuring that the treating provider is an enrolled Medicaid provider, and making reimbursements. The implementation of this new system follows several years of

study of programs in other states. TMS has relocated its Midwestern headquarters in Des Moines and could create up to 100 new jobs. The savings to the Medicaid program will occur due to increased federal share of the cost. Additional benefits include more transportation options for members and an easing on DHS Income Maintenance Worker workloads. More than 300,000 Iowa Medicaid members are eligible for health-related transportation.

“This will insert more checks and balances into the system.”—Patti Ernst-Becker, Iowa Medicaid Enterprise Program Integrity Director

Program Integrity in Action

- Inserting Checks and Balances in the System
- Making Transportation More Dependable for Members



IME and Department on Aging Awarded Funding for “Money Follows the Person” Project

“Our hope is that this supplemental grant award will enhance your efforts to rebalance your long-term care support system so that individuals have a choice of where they live and receive services.”

Melissa Hulbert, Division of Advocacy & Specialty Initiatives, CMS Award Letter

On August 30th Iowa Medicaid Enterprise and Iowa Department on Aging received notice from the Centers for Medicare and Medicaid Services (CMS) of a successful Money-Follows-the-Person Rebalancing Demonstration supplemental award application for \$400,000 (federal funds) to establish partnerships to provide “options counseling” and “transition planning services” for nursing facility residents who express a desire for information about returning to the community.

Nursing facility residents are responding to a revised set of questions that nursing facilities must ask pursuant to the Minimum Data Set (MDS) 3.0, a new version of the federally required assessment. The new assessment questions are more person-centered, better supporting of the individual’s right to choose where they receive their long term care services and reinforces states’ efforts to transition individuals out of nursing facilities. With this targeted funding, IME and Department on Aging are working to utilize networks already established in the community to provide the counseling and transition

transition planning services when individuals express a desire for the information. The work plan will be built on the experience of Iowa’s current Money Follows the Person (MFP) program and will allow Iowa Medicaid to explore what would be needed to successfully implement the program for the nursing facility population.

Health Information Technology Plan Submitted to CMS

The Iowa Medicaid Enterprise has submitted a plan to the Centers for Medicare and Medicaid Services (CMS) that outlines Iowa's current Health Information Technology landscape, and documents Iowa Medicaid's vision of how Health Information Technology will help improve quality and manage health care costs in the future. The plan, called the State Medicaid Health Information Technology Plan, or SMHP, provides a road map of steps IME plans to take to reach the future vi-

sion. A key component of the plan is to administer the Medicaid Electronic Health Record (EHR) Incentive Program, an opportunity created by the American Recovery and Reinvestment Act (ARRA) of 2009. Iowa estimates the program will generate between \$125-\$225 million of incentive payments to eligible health care providers and hospitals who adopt and meaningfully use electronic health record systems. The use of electronic health record systems creates a basis for im-

proved care coordination, quality measure, health analytics and evidence based treatment programs. Iowa submitted the SMHP to CMS on September 9th and is preparing to offer the incentive payments beginning in January, 2011.



View more information about the IME Health Information Technology Plan, the "Road Map" at:

<http://www.ime.state.ia.us/Providers/EHRIncentives.html>

New Medicaid Management Information System Anticipated

The Iowa Medicaid Enterprise is planning the procurement of a new Medicaid Management Information System (MMIS) early next year. The possibility of a new MMIS system is in the planning stages to coincide with procurement of new vendor contracts for IME CORE MMIS Operations and Pharmacy Point of Sale. The IME is planning for a new MMIS as part of the re-procurement, to be better positioned to implement Federal mandates including the Health Information Technology (HIT)-Health Information Exchange (HIE) requirements, the Health Information Portability and Accountability Act of 1996 (HIPAA) transaction and code sets version 5010 and NCPDP version D.0, International Classification of Diseases

version 10 (ICD-10), and the requirements of the Patient Protection and Affordable Care Act (PPACA) to name a few. As part of the procurement process it is the intention of DHS to release a draft version of the Request for Proposal (RFP) early next year for vendor review and comment. As a platform for input the IME will be conducting an Industry Day inviting MMIS vendors to interact with IME on the intended procurement. We will encourage traditional fiscal agent vendors to consider participating in these activities.

Questions about the MMIS Procurement RFP should be directed to:

medicaidrfp@dhs.state.ia.us

CURRENT MMIS SYSTEM AT A GLANCE:

- 1970's era mainframe
- Processes over 23 million medical claims for 656,000 Iowans
- Supports services to over 38,000 active health care providers
- Supports claims processing, provider network management, managed care operations and many other functions
- Rigid and difficult to change even for routine changes

A modern information technology platform and software would benefit policy-makers, Medicaid staff, providers and members.

BENEFITS OF A NEW SYSTEM:

- Real time claim adjudication for providers to get immediate feedback on coverage
- Auditable claims processing decisions so every rule applied to the claim can be identified
- Expanded functionality of the provider website portal to reduce paperwork and improve communication
- Access to wellness information, personalized alerts and reminders for healthier outcomes and explanation of benefits information for members
- Improved security, better data, modeling and program integrity
- Rapid implementation of programs and decisions



Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.

We're on the web!

<http://www.ime.state.ia.us/>

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Please email:
IMENewsletter@dhs.state.ia.us

The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.

The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4.2 billion. The \$4.2 billion funds payments for medical claims to over 38,000 health care providers statewide.

Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.

Coming Soon....Follow Iowa Medicaid Enterprise
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